

**Senate File 63 - Introduced**

SENATE FILE 63

BY PETERSEN, WEINER, CELSI,  
BOULTON, DOTZLER, JOCHUM,  
QUIRMBACH, T. TAYLOR,  
DONAHUE, KNOX, BENNETT,  
TRONE GARRIOTT, WINCKLER,  
GIDDENS, BISIGNANO, and  
WAHLS

**A BILL FOR**

1 An Act relating to a hawk-i program purchase option, and  
2 including effective date and contingent implementation  
3 provisions.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. HAWK-I PROGRAM PURCHASE OPTION.

2 1. The director of the department of health and human  
3 services shall seek necessary federal waiver authority to do  
4 all of the following:

5 a. To establish a program that allows individuals who meet  
6 either of the following conditions the option of purchasing  
7 coverage through the hawk-i program rather than purchasing a  
8 qualified health plan through the health insurance marketplace  
9 established pursuant to the federal Patient Protection and  
10 Affordable Care Act, or an individual health plan offered  
11 outside of the health insurance marketplace:

12 (1) Individuals with incomes above the maximum income  
13 eligibility limit pursuant to section 514I.8, who otherwise  
14 meet the hawk-i program eligibility requirements pursuant to  
15 section 514I.8 with the exception of age.

16 (2) Pregnant individuals who meet the age requirements for  
17 the hawk-i program pursuant to section 514I.8, regardless of  
18 whether the individual's family income meets the maximum income  
19 eligibility limit pursuant to section 514I.8.

20 b. To allow individuals who qualify under paragraph "a" who  
21 choose to purchase coverage through the hawk-i program to use  
22 advanced tax credits and cost-sharing credits, if eligible, to  
23 purchase this option.

24 c. To permit the hawk-i program purchase option to be  
25 offered through the health insurance marketplace as a coverage  
26 option and to be compared with qualified health plans offered  
27 through the health insurance marketplace.

28 d. Notwithstanding the eligibility criterion that a child  
29 must be less than nineteen years of age pursuant to paragraph  
30 "a", subparagraph (1), allow the hawk-i purchase option to be  
31 offered to a child up to twenty-six years of age.

32 2. The director of health and human services shall  
33 coordinate the administration of the hawk-i program with  
34 the hawk-i program purchase option to maximize efficiencies  
35 and improve the continuity of care for eligible children

1 consistent with chapter 514I. The director shall implement  
2 mechanisms to ensure the long-term financial sustainability of  
3 the hawk-i program and mitigate any adverse financial impacts  
4 to the health insurance marketplace. These mechanisms shall  
5 address issues related to minimizing adverse selection, the  
6 state financial risk and contribution, and negative impacts  
7 to premiums in the individual and group insurance market both  
8 inside and outside of the health insurance marketplace. At a  
9 minimum, the hawk-i purchase option shall include all of the  
10 following:

11 a. Establishment of an annual per enrollee premium rate  
12 similar to the average rate paid by the state to managed care  
13 plan contractors under the hawk-i program.

14 b. Establishment of a benefit set equal to the benefits  
15 covered under the hawk-i program.

16 c. Establishment of annual open enrollment periods  
17 consistent with those for the hawk-i program.

18 d. The ability of the director to adjust the purchase  
19 option's actuarial value to a value no lower than eighty-seven  
20 percent.

21 e. Reimbursement mechanisms to address potential reductions  
22 in funding for health insurance marketplace operations.

23 f. Reimbursement mechanisms to address potential increased  
24 costs to the hawk-i program.

25 3. The director of the department of health and human  
26 services in collaboration with the commissioner of insurance  
27 shall report to the chairpersons and ranking members of  
28 the health and human services committees and the joint  
29 appropriations subcommittee on health and human services by  
30 September 1, 2023, on the progress of the federal waivers and  
31 the results from actuarial and economic analyses that are  
32 necessary for a waiver proposal. The report shall also include  
33 recommendations regarding any statutory or administrative rule  
34 changes necessary to implement the program.

35 Sec. 2. EFFECTIVE DATE. This Act, being deemed of immediate



1 to implement mechanisms to ensure the long-term financial  
2 sustainability of the hawk-i program and mitigate any adverse  
3 financial impacts to the health insurance marketplace. The  
4 mechanisms are to address issues related to minimizing adverse  
5 selection, the state financial risk and contribution, and  
6 negative impacts to premiums in the individual and group  
7 insurance market both inside and outside of the health  
8 insurance marketplace.

9 At a minimum, the hawk-i purchase option must include:  
10 establishment of an annual per enrollee premium rate similar  
11 to the average rate paid by the state to managed care plan  
12 contractors under the hawk-i program; establishment of a  
13 benefit set equal to the benefits covered under the hawk-i  
14 program; establishment of annual open enrollment periods  
15 consistent with those for the hawk-i program; the ability  
16 of the director of health and human services to adjust the  
17 purchase option's actuarial value to a value no lower than  
18 87 percent; reimbursement mechanisms to address potential  
19 reductions in funding for health insurance marketplace  
20 operations; and reimbursement mechanisms to address potential  
21 increased costs to the hawk-i program.

22 The director of health and human services in collaboration  
23 with the commissioner of insurance shall report to the  
24 chairpersons and ranking members of the house and senate health  
25 and human services committees and the joint appropriations  
26 subcommittee on health and human services by September 1,  
27 2023, on the progress of the federal waivers and the results  
28 from actuarial and economic analyses that are necessary for a  
29 waiver proposal. The report shall also include recommendations  
30 regarding any statutory or administrative rule changes  
31 necessary to implement the program.

32 The bill takes effect upon enactment. Implementation of any  
33 waiver provision that requires a state financial contribution  
34 is contingent on further legislative action to approve the  
35 state's contribution.